

VZCZCXRO7014
OO RUEHCI
DE RUEHKT #1178/01 3150419
ZNR UUUUU ZZH
O 100419Z NOV 08
FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9381
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 6706
RUEHLM/AMEMBASSY COLOMBO PRIORITY 6998
RUEHKA/AMEMBASSY DHAKA PRIORITY 2306
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 5044
RUEHLO/AMEMBASSY LONDON PRIORITY 6233
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 2707
RUEHCI/AMCONSUL KOLKATA PRIORITY 4357
RHMFIUU/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 3353

UNCLAS SECTION 01 OF 04 KATHMANDU 001178

SIPDIS

STATE FOR INL AND SCA/INS

E.O. 12958: N/A

TAGS: [SNAR NP](#)

SUBJECT: NEPAL: DRAFT 2009 INTERNATIONAL NARCOTICS CONTROL
STRATEGY REPORT (INCSR) PART I - NARCOTICS

REF: STATE 100992

[I. Summary](#)

[1](#)1. Although Nepal is neither a significant producer of nor a major transit route for narcotic drugs, hashish, heroin and domestically produced cannabis are trafficked to and through Nepal every year. Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) reports that more Nepalese citizens are investing in, and taking a larger role in running, trafficking operations. Customs and border controls remain weak, but international cooperation has resulted in increased narcotics-related indictments in Nepal and abroad. Nepalese officials claim the end of the Maoist insurgency in 2006 has slightly improved interdiction and monitoring efforts in previously inaccessible parts of the country, and the new Maoist-led government elected in 2008 has committed to improve overall law enforcement efforts. The Government of Nepal (GON) continues to push legislative efforts to increase control over the trafficking of precursor chemicals between India and China. Nepal is a party to the 1988 UN Drug Convention.

[II. Status of Country](#)

[1](#)2. Police confirm that production of cannabis is on the rise in the southern areas of Nepal, and that most is destined for the Indian market. Abuse of locally grown and wild cannabis and locally produced hashish, which are marketed in freelance operations, remains widespread. Heroin from Southwest and Southeast Asia is smuggled into Nepal across the porous border with India and through Kathmandu's international airport. Legal, medicinal drugs continue to be abused. Nepal is not a producer of chemical precursors but serves as a transit route for precursor traffic between India and China.

[1](#)3. Monitoring and interdiction efforts have improved since the official end in 2006 of the Maoist insurgency, which had obstructed rule-of-law and counter narcotic efforts in many parts of the country. The Maoist-led government elected in 2008 has committed to enhance overall law enforcement efforts.

[III. Country Actions Against Drugs in 2008](#)

¶4. Policy Initiatives. Nepal's basic drug law is the Narcotic Drugs Control Act, 2033 (1976). Under this law, the cultivation, production, preparation, manufacture, export, import, purchase, possession, sale, and consumption of most commonly abused drugs is illegal. The Narcotics Control Act, amended last in 1993, conforms in part to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol by addressing narcotics production, manufacture, sales, import, and export. The government is planning to amend the Act to incorporate provisions for psychotropic substances, demand reduction, treatment and rehabilitation.

¶5. In 2006, the Home Ministry updated the ten-year-old Narcotics Control National Policy. Noting the growing incidence of HIV infection among narcotics-using sex workers, abuse of narcotics and psychotropic medicines among youth, and illicit trafficking by organized mafia, the new policy attempts to address these concerns in a more "transparent and enforceable" manner. It consists of five strategies to control drug production, abuse and trafficking: (1) supply control, (2) demand reduction (treatment and rehabilitation and drug abuse prevention), (3) risk reduction, (4) research and development, and (5) collaboration and resource mobilization.

¶6. To ensure institutional support, the 2006 policy called for the creation of a Narcotics Control Bureau in the Ministry of Home Affairs that would include the NDCLEU and a special Nepal Police Task Force trained in counter narcotics. As of November 2008, this Bureau has yet to be made

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functional. In addition, the National Policy restructured a high-level Narcotics Control National Guidance and Coordination Committee, chaired by the Home Minister, and a Narcotics Control Executive Committee, chaired by the Home Secretary. These entities oversee all narcotics control programs, law enforcement activities, and legal reforms.

¶7. Nepal enacted legislation on asset seizures in January 2008 and continues to implement a National Drug Abuse Control Plan (NDACP), but other proposed efforts still await legislative approval. Legislative action on mutual legal assistance and witness protection, developed as part of the NDACP, has stalled for another year. The government has not submitted scheduled amendments to its Customs Act to control precursor chemicals. All are under review by the Ministry of Law and Justice. Legislation on criminal conspiracy has not yet been drafted.

¶8. In response to reports from the NDCLEU of increased trafficking and criminal behavior among tourists, the government has restricted the travel of several countries' nationals to Nepal. Citizens of Nigeria, Swaziland, Ghana, Zimbabwe, Iraq, Afghanistan, and residents of the Palestinian territories are unable to obtain visas on arrival. The Home Ministry and the NDCLEU reported that Nigerians in particular have traveled on false passports to Nepal, via South Africa and India, to widen their organized crime network.

¶9. Law Enforcement Efforts. The NDCLEU has developed an intelligence wing, but its effectiveness remains constrained by an insufficient budget, limited human resources and inadequate technological equipment. The NDCLEU and Nepal's customs and immigration services have improved coordination and cooperation. Narcotics officials admit that the destruction of areas of illicit drugs cultivation is not as effective as it could be; statistical data indicate a drop in 2007 and 2008 after an improvement in 2006 over 2005. As of August 2008, 105 hectares of cannabis cultivation were destroyed, compared to 211 hectares in 2007, 328 hectares in 2006, and 121 hectares in 2005. The NDCLEU reports that as of August 2008, 21 hectares of opium were destroyed. Data were unavailable for 2007; in 2006, 0.5 hectare (19 plants) of opium was destroyed. Nepal does not have a crop

substitution program.

¶10. Data available as of August 2008 indicate that by year-end, police may equal or exceed the number of arrests and drug seizures they made in 2007. From January-August 2008, police arrested 442 individuals (387 Nepalese citizens and 55 foreigners) on the basis of drug trafficking charges. In all of 2007, police arrested 617 individuals (550 Nepalese citizens and 67 foreigners). Local police made approximately 90 percent of the arrests in 2008, while the NDCLEU accounted for the remaining 10 percent. In the same time period, the NDCLEU and local units reportedly seized 7,478 kg of cannabis—approaching the amount seized in all of 2007 (8,093 kg) and more than twice as much as the amount of cannabis seized in all of 2006 (3,624 kg). The NDCLEU also seized 5 kg of heroin from January-August 2008, about a third of the amount seized in each of the two previous years. Most of the seizures were of "brown sugar"—low quality heroin smuggled from India. Police made relatively few seizures of more expensive white heroin from Afghanistan. The NDCLEU further reported the seizure of 1,739 kg in Nepal from January-August 2008. Most seizures of heroin and hashish in 2008 occurred along the Nepal-Indian border, within Kathmandu, or at Kathmandu's Tribhuvan International Airport (TIA) as passengers departed Nepal. The NDCLEU reported the seizure of 12 kg of opium through August 2008. The NDCLEU did not report the seizure of any opium in 2006 or 2007.

¶11. Corruption. Nepal has no laws specifically targeting narcotics-related corruption by government officials, although provisions in both the Narcotics Control Drug Act of 1976 and Nepal's anticorruption legislation can be employed to prosecute any narcotics-related corruption. As a matter of government policy, Nepal neither encourages nor

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facilitates illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, nor the laundering of proceeds from illegal drug transactions.

¶12. Agreements and Treaties. Nepal is party to the 1988 UN Drug Convention, the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Nepal has signed but has not yet ratified the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

¶13. Cultivation/Production. Cannabis is an indigenous plant in Nepal, and cultivation of certain selected varieties is rising, particularly in the lowland region of the Terai. There is some small-scale cultivation of opium poppy, but detection is difficult since it is interspersed among licit crops. Nepali drug enforcement officials reported that all heroin seized in Nepal originated elsewhere. Nepal does not produce precursor chemicals. Importers of dual-use precursor chemicals must obtain a license and submit bimonthly reports on usage to the Home Ministry.

¶14. According to the Home Ministry, there have been no seizures of precursor chemicals since 1997. There have been no reports of the illicit use of licensed, imported, dual-use precursor chemicals. Nepal is used as a transit route to move precursor chemicals between India and China. After the ratification of the SAARC Convention on Narcotics Drugs and Psychotropic Substances, which holds countries liable for policing precursor chemicals, the Home Ministry asserted control over precursor chemicals. The NDCLEU worked with the Home Ministry to develop a voluntary code of conduct for importers, cargo shippers, couriers, manufacturers, and the pharmaceutical industry. Official implementation of the code is pending as of November 2008. Additionally, a proposed amendment to the Narcotics Drugs Control Act regarding the control and regulation of precursor chemicals remains under review.

¶15. Drug Flow/Transit. According to NDCLEU, evidence from

narcotics seizures suggests that narcotics transit Nepal from India, Pakistan, and Afghanistan to other countries in the region and to China, Europe, the U.S. and Canada. Media reports have claimed that most narcotics are bound for India, and law enforcement sources indicated that most seizures do occur at the India/Nepal border. Government officials report that 2008 maintained improvements from 2007 in stemming drug flow and transit through Nepal and better border security. Nevertheless, the NDCLEU says customs and border controls are weak along Nepal's land borders with India and China, while the Indian border is essentially open. Security measures to interdict narcotics and contraband at TIA and at Nepal's regional airports with direct flights to India are also inadequate. The GON, along with other governments, is working to increase the level of security at the international airport. The NDCLEU took the increase in arrests of Nepalese couriers in other countries as an indication that Nepalese were becoming more involved in the drug trade both as couriers and as traffickers. This also suggests that Nepal may be increasingly used as a transit point for destinations in South and East Asia, as well as in Europe-particularly Spain, the Netherlands and Switzerland. The NDCLEU has also identified the United States as a final destination for some drugs transiting Nepal, typically routed through Thailand, China and Indonesia.

¶16. Domestic Programs (Demand Reduction). The GON has continued to implement its national drug demand reduction strategy in association with the Sri Lanka-based Colombo Plan, assistance from the United States, UNODC, donor agencies, and NGOs. However, budgetary constraints have limited significant progress.

IV. U.S. Policy Initiatives and Programs

¶17. Policy Initiatives. U.S. policy is to strengthen

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Nepal's law enforcement capacity to combat narcotics trafficking and related crimes, to maintain positive bilateral cooperation, and to encourage Nepal to enact and implement appropriate laws and regulations to meet all objectives of the 1988 UN Drug Convention.

¶18. Bilateral Cooperation. The United States works with GON agencies to provide expertise and training in enforcement. Nepal exchanges drug trafficking information with regional neighbors and occasionally with destination countries in Europe in connection with international narcotics investigations and proceedings.

¶19. The Road Ahead. The United States will continue information exchanges, training, and enforcement cooperation. The United States will provide support to various parts of the legal establishment to combat corruption and improve rule of law, as well as support improvements in the Nepali customs service. The United States also will encourage the GON to enact stalled drug legislation.

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